

~~CONFIDENTIAL~~
X01420001
SECURITY INFORMATION

SUBJECT

UNUSUAL RECOVERY OF IMF

25X1A29

PLACE ACQUIRED

DATE ACQUIRED

DATE OF INFO

1 UP TO 24 JUNE 53

25X1A6a

BY 15

88

25X1X

1. ON 17 JUNE 53, ONE HONG KONG DOLLAR WAS WORTH 6,265 RPT 6,265 YMP ON THE BLACK MARKET IN HONG KONG. ON 24 JUNE 53, THE RATIO WAS HONG KONG \$1 RPT \$1 TO YMP 5,000 RPT 5,000. AT THE END OF APRIL 1953, ONE U.S. DOLLAR WAS EXCHANGED FOR 37,00 RPT 37,400 YMP ON THE BLACK MARKET IN SHANGHAI. AT THE END OF MAY, THE EXCHANGE RATE WAS U.S. \$1 RPT \$1 TO YMP 35,500 RPT 35,500. ON 23 JUNE 53, THE SHANGHAI RATE WAS U.S. \$1 RPT \$1 TO YMP 32,350 RPT 32,350.

25X1X 2. [REDACTED] IN HONG KONG, IN PASSING ON THESE FIGURES, COMMENTS THAT APPARENTLY THE COMMUNIST CHINESE CURRENCY IS RATED HIGHER BY BLACK MARKETEERS AT THIS TIME BECAUSE THEY EXPECT A VERY EARLY TRUCE SETTLEMENT. SINCE BLACK MARKET TRADING IN CURRENCIES IS RATHER BRISK IN HONG KONG AND IS, IN PART, UNDERTAKEN ON BEHALF OF WELL-INFORMED MAINLAND BUSINESSMEN AND PERHAPS EVEN OFFICIALS, THEIR ESTIMATE OF DEVELOPMENTS MAY BE OF MORE THAN PASSING INTEREST.

3. BY WAY OF COMPARISON, I HAVE NOT NOTICED ANY SIGNIFICANT
FLUCTUATIONS ON THE CURRENCY BLACK MARKETS IN THE SATELLITE COUNTRIES
DURING RECENT WEEKS. MUCH HAS BEEN MADE IN THE U.S. PRESS OF THE FACT
THAT THE EXCHANGE RATE OF THE EASTERN AND WESTERN MARK ON THE BLACK
MARKET IN BERLIN REFLECTED POLITICAL EVENTS IN THE GERMAN DEMOCRATIC
REPUBLIC. BEFORE THE WIDESPREAD RIOTS, ONE WESTMARK WAS WORTH
5.80 RPT 5.80 EASTMARKS; SINCE THEN THE RATE HAS BEEN ONE WESTMARK
TO 6.80 RPT 6.80 EASTMARKS. THE SIGNIFICANCE OF THESE
FACTORS WOULD NOT BE OVERESTIMATED.

RETR

~~CONFIDENTIAL~~

- end -